

**THE LAND ACT
(NO. 4 OF 1999)
LEASE AGREEMENT**

BETWEEN

HANSPAUL AUTOMECHS LIMITED

AND

HANSPAUL INDUSTRIES LIMITED

DRAWN BY:

**DEXTER ATTORNEYS,
PLOT NO. 8/3, BURKA AVENUE, BURKA ESTATE,
(NEXT TO ARUSHA COFFEE LODGE)
P. O. Box 1976
ARUSHA TANZANIA**

LEASE AGREEMENT

THIS LEASE AGREEMENT is made on the **01ST** day of **JANUARY, 2021**

BETWEEN

HANSPAUL AUTOMECHS LIMITED, a Limited liability Company incorporated in Tanzania under the laws of the United Republic of Tanzania under the Companies Act 2002 and whose address is P.O Box 149 Arusha-Tanzania and with TIN 105-441-444 (hereinafter called the "**Lessor**" which expression shall include and extend to its successors and assigns) of the one part.

AND

HANSPAUL INDUSTRIES LIMITED, a Limited liability Company incorporated in Tanzania under the laws of the United Republic of Tanzania under the Companies Act 2002 and whose address is P.O Box 613 Arusha-Tanzania and with TIN 104-421-644 (hereinafter called the "**Lessee**" which expression shall include and extend to its successors and assigns) of the other part;

WHEREAS the Lessor is the lawful owner of land measuring 24310 Square Meter situated at Plot No. 29/1 Themi Industrial area, Arusha Municipality, with all present and future developments thereon (hereinafter called the "**Property**");

AND WHEREAS, the Lessee is desirous to lease from the Lessor the partial Property of built-up area of 7020 Square Meter together with its development therein

AND WHEREAS the Lessor has agreed to let the said property to the Lessee a Long-term lease for a sum reflected as the consideration herein and the Lessee has agreed to the same;

NOW THIS LEASE AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE I:

1.0 DURATION AND COMMENCEMENT OF THE LEASE

- 1.1 This lease is for a period of **Five (5) year** effective from the date of signing this agreement and shall begin on the commencement date as define in Article I paragraph 1.2 and shall terminate on the termination date as defined in Article I paragraph 1.3
- 1.2 The commencement date shall begin on the **01ST day of January, 2021**, the date on which the Lessee shall take possession and the Lessor shall give vacant possession of the property of the same and date this Agreement is executed by both parties.
- 1.3 This Lease Agreement shall be terminated on the **31st day of DECEMBER, 2025** or renewed by the parties after the expiration of the lease period stated in clause (1.1) above. Any of the parties may in writing give a **One (1) months' notice** before the expiration date of the intention to renew the lease upon such terms and conditions as may be agreed between the parties.

ARTICLE II

2.0 THE DEMISED PREMISES:

- 2.1 In consideration of the rent hereinafter provided and the Lessee's covenants hereinafter contained or implied, the Lessor, **HEREBY LET** to the Lessee a land measuring 7020 square Meter situated at Plot No. 29/1 Themu Industrial area, Arusha Municipality, with all present and future developments thereon (hereinafter called **property**).

ARTICLE III

3.0 RENT AND TERMS OF PAYMENT:

- 3.1 The rent payable from the Lessee to the Lessor with respect to the property shall be monthly rent of **Tanzania Shillings Sixteen Million Four Hundred Ninety Seven Thousand Only (TSHS 16,497,000) Per month (VAT exclusive)**.
- 3.2 The consideration prescribed and agreed by the parties herein per year shall be a grand total of **Tanzania Shillings One Hundred Ninety Seven Million Nine Hundred Sixty Four Thousand Only (Tshs 197,964,000)**.
- 3.3 The rent shall be paid punctually without any deductions whatsoever

ARTICLE IV

4.0 LAND USE AND DEVELOPMENTS

- 4.1 The Lessee shall use the property for a factory and open space purposes or any other suitable to their use.

- 4.2 All movable developments and or installations to the demised premises shall remain the property of the Lessee

ARTICLE V

5.0 LAND RENT, PROPERTY TAX

- 5.1 The Lessor shall be liable to pay Land Rent, Property Tax as shall be imposed by the Government from time to time.
- 5.2 The Lessee shall first seek the approval of the Lessor before effecting any full or part payment referred in clause 5.1 above and the Lessor hereby covenants not to unreasonably withhold such approval.
- 5.3 The Lessee reserves a right of set off against the Lessor in event of failure, or neglect or willful refusal to refund the Lessee for any payment effected in respect of the provision of clause 5.1 herein above.

ARTICLE VI

6.0 STAMP DUTY AND WITHHOLDING TAX

- 6.1 The lessee shall collect from the Lessor and remit to the Tanzania Revenue Authority any withholding tax due from payments made to the Lessor in accordance with the Laws of the United Republic of Tanzania.

ARTICLE VII

7.0 BREACH OF CONTRACT

- 7.1 In case there is any breach of any provision of this Agreement, the affected party shall give formal notice in writing to the other party, and in case the breach continues for more than three months, then the affected party shall be entitled to initiate arbitration proceedings.

ARTICLE VIII

8.0 ARBITRATION CLAUSE

- 8.1 In case of any dispute or conflict in the interpretation or implementation of this Agreement, or in case there is any breach of any provision hereof as provided for in paragraph 7.0 above, then both parties shall convene and appoint an arbitrator who shall arbitrate upon the dispute or conflict.
- 8.2 In the event the parties cannot agree on an Arbitrator, then each party shall appoint an Arbitrator who shall collectively choose one Umpire whose decision on the dispute or conflict shall be final and conclusive.

ARTICLE IX

9.0 GOVERNING LAW

9.1 This Agreement shall be governed by and constructed in accordance with the laws of Tanzania.

ARTICLE X

10.0 ENTIRE AGREEMENT

10.1 Entire Agreement. This instrument contains the entire and only agreement between the parties, and no oral statements or representations or prior written matter not contained in this instrument shall have any force and effect. This Lease shall not be modified in any way except by a writing executed by both parties.

ARTICLE XI

11.0 MISCELLANEOUS PROVISIONS

11.1 The parties hereto agree to execute documents and perform such further acts as may be necessary to implement the terms of the Agreement.

11.2 The Lessee shall be free to use the property as he shall deem fit for a warehouse and open space purposes

11.3 So long as the Lessee shall perform his obligations under this Agreement, the Lessee shall have the right to quiet enjoyment of the property for the term hereof without interruption by the Lessor or by any person claiming by, through, under or in trust for the Lessor.

11.4 The Lessee shall not do anything that will, in any way, jeopardize the Lessor's right and title over the property.

IN WITNESS WHEREOF the parties hereto duly authorized have caused this Agreement to be signed in their respective names and delivered as of the day and year first above written.

SEALED with the COMMON SEAL of
HANSPAU AUTOMECHS LIMITED in our presence
on this **01st** day of **January, 2021**



Full Name:..... *Kamaljit S. Hanspaul*
Signature:..... *[Signature]*
Postal Address:..... *Post Box 613, Amritsar*
Designation:..... *Director*

Full Name:..... *Satbir S. Hanspaul*
Signature:..... *[Signature]*
Postal Address:..... *Post Box 613, Amritsar*
Designation:..... *Director*

SEALED with the COMMON SEAL of
HANSPAU INDUSTRIES LIMITED in our presence
on this **01st** day of **January, 2021**



Full Name:..... *Kamaljit S. Hanspaul*
Signature:..... *[Signature]*
Postal Address:..... *Post Box 613, Amritsar*
Designation:..... *Director*

Full Name:..... *Satbir S. Hanspaul*
Signature:..... *[Signature]*
Postal Address:..... *Post Box 613, Amritsar*
Designation:..... *Director*

Name : *Bella Kaldeh*
Signature *[Signature]*
Postal Address *1976 ARUSHI*
Designation : *Commissioner for OATIS*



FEE/DUTY PAID SHS. *9,898,200*
RECEIPT No. *998420148302*
IN RESPECT OF *Stamp Duty*
20/01/2021
For. REGIONAL MANAGER
TRA ARUSHI